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Mr Dymowski,

### **Aviation White Paper –Terms of Reference**

Thank you for the opportunity to comment on the Department of Infrastructure, Transport, Regional Development, Communication and the Arts' (the Department's) Aviation White Paper Terms of Reference (ToR).

Canberra Airport is of the opinion that the following are the most important issues facing aviation in Australia which should be included in the Aviation White Paper (White Paper) ToR.

#### *1. Major Development Plan (MDP) Thresholds*

Canberra Airport is a strong advocate for a review of the current MDP threshold limits. In order to stimulate further airport related development the Aviation White Paper should review the impacts the current MDP threshold has, and consider increasing the threshold to reflect the increased costs of development and to encourage airports to undertake further large scale investment for the benefit of Australia. In association with this the ToR should include consideration of changes required to reduce the complexity and cost of MDPs for proponents, which can take up to 18 months from MDP lodgement to approval. This is significantly out of step with equivalent state and local government development approval processes across Australia, reducing airports' appetite to undertake on-airport development and placing them at significant competitive disadvantage to identical off-airport developments.

2. *Streamlined interactions between the Airports Act 1996 and Environment Protection and Biodiversity Conservation Act 1999*

Canberra Airport continues to be concerned about the time lost and the costs which are incurred as a result of the lengthy and complex interactions between the two acts, and Departments controlling planning and environmental approvals at the airport. This is reflected in the time taken in determining referrals between the Departments in MDP processes.

3. *Staffing and Responsiveness of Authorities*

Recent regulatory changes from CASA (the MOS 139 reforms) have added significant compliance costs to airports, while Airservices' consolidation of the air traffic management system has disrupted and degraded the capacity of the network to operate at its full capacity. In addition ongoing issues with the staffing and related industrial issues have resulted in compromises in the ARFF ability to respond to in terminal incidents and satisfy minimum category staffing requirements.

In aviation security, the rapid evolution and broadening of responses to security threats in recent years from a 'traditional' counter-terrorism lens to one increasingly made up of cybersecurity and 'all hazards' threats and staff shortages both within the regulator and in the security staffing environment has placed increased pressure on all elements of the system.

We also note with some concern the suggestion that Airservices is considering including a community engagement function in respect of operational changes occurring out of hours at curfew free airports. This potentially impacts on the ability of designated curfew free We believe the scope and role of Airservices in such circumstances should be included as part of the overall review of the function of the organisation.

4. *Appropriate consumer protections and access to services*

Airports (and the aviation sector more broadly) are one of the most heavily regulated parts of the Australian economy. Canberra Airport is of the opinion that the current environment for economic regulation is fit for purpose, despite efforts from the Australian Competition and Consumer Commission (ACCC) to further increase its existing economic regulation of airports based on its mistaken perceptions of the market power of airports.

The ACCC's regulatory overreach contradicts the findings of four successive Productivity Commission (PC) reviews of airport economic regulation from 2002 to 2019 which concluded the market power of airports is balanced by the countervailing power of airlines, particularly where competition among airlines has been reduced through mergers and acquisitions, as has been the case domestically over the past decade.

With recent media coverage over the high costs of airfares, Canberra Airport recommends that Australian Government continues the ACCC's airline competition monitoring beyond its current end date of 2023 to maintain effective, long-term oversight of airline competition, airfares and other matters similar to the ACCC's existing airports monitoring regime.

## 5. *Airfreight and Ground Handling Services*

Canberra Airport strongly believes that airfreight and ground handling services should be included in the ToR. In this regard we note that Canberra Airport is working closely with the ACT Government to realise the freight potential of Canberra Airport as a 24-hour curfew free international transport hub. The Airport is uniquely positioned to connect the Canberra region to expanding domestic and global markets. Continued and coordinated investment in the road networks surrounding the airport is necessary to ensure the efficient movement of goods, increase access to markets and encourage investment in supply chain and logistics infrastructure. In regard to Ground Handling Services this is a crucial piece of operational activity at airports which can significantly affect service viability and efficiency and as such is worth of consideration under the White Paper.

## 6. *Bilateral arrangements*

Canberra Airport suggests that bilateral arrangements should be included in the ToR. Increased connectivity for foreign airlines is beneficial to the Australian economy as is access to such services for regional and rural Australia. Through appropriately negotiated bilateral arrangements the Commonwealth is in a position to both support the growth of access to an increased number of international services while also supporting such access for regional and rural Australia by providing incentives for carriers to operate services from regional airports. Canberra Airport is an internationally capably curfew free airport with no bi-lateral restrictions. These conditions are key points of difference to support negotiations with airlines and encourage dispersal of international passengers and freight to regional areas and also provides the additional benefit of relieving capacity constraints at Australia's major international gateways. Canberra Airport proposes that the ToR include reference to bilateral arrangements with consideration of the establishment of a framework which promotes increased services to regional airports such as Canberra, the Gold Coast, and Avalon Airports.

Should you require further information regarding this submission, please contact Michael Thomson at [M.Thomson@Canberraairport.com.au](mailto:M.Thomson@Canberraairport.com.au) or on 0421283432

Yours sincerely



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